



## ARIZONA DEPARTMENT OF TRANSPORTATION

### SUPPLIER LICENSE APPLICATION INSTRUCTIONS

#### ***WHO MUST BE LICENSED TO SELL MOTOR FUEL IN ARIZONA:***

In order for a supplier to do business in Arizona, the supplier must be licensed by the Arizona Department of Transportation. A supplier must be either:

1. Registered pursuant to Section 4101 of the United States Internal Revenue Code for transactions in motor fuels in the bulk transfer terminal distribution system and be one of the following:
  - a. The position holder in a terminal or refinery in this state.
  - b. A person who imports motor fuel into this state from a foreign country.
  - c. A person who acquires motor fuel from a terminal or refinery in this state from a position holder pursuant to a two party exchange.
  - d. The position holder in a terminal or refinery outside this state with respect to motor fuel that that person imports into Arizona on their own account.
2. A permissive supplier unless specifically provided otherwise.
3. A person who acts as a distributor and who possesses motor fuel on which fuel taxes have not been accrued or collected by a supplier.

Supplier does not include a terminal operator merely because the terminal operator handles motor fuel consigned to the terminal operator within a terminal.

A "permissive supplier" means an out-of-state supplier that elects to have a supplier's license pursuant to Arizona Revised Statutes.

#### ***GENERAL INFORMATION:***

Include all of the requested information to fill in the blanks on the application. Be complete when you answer "yes" or "no" to the questions. Include names, company names, affiliations, account numbers, storage tank capacities, and other information about the source of your products, your customers, and your organization.

The name on the application **MUST** be the exact name of record of the company. Do not abbreviate unless the actual name contains an abbreviated word. **ONLY** include "d.b.a." information if the **SUPPLIER** operates under the d.b.a.

Foreign corporations **MUST** attach an **ORIGINAL** certificate of good standing (not a copy) obtained from the Arizona Corporation Commission (ACC). Arizona corporations must attach a copy of the most recent annual report filed with the ACC. A Corporation, which is newly approved, shall attach a copy of the ACC approved application for authority and a copy of the Articles of Incorporation. If the applicant is a partnership, attach a copy of the Partnership Agreement.

Arizona Corporation Commission Web page for Forms: <http://www.cc.state.az.us/corp/filings/forms/index.htm>

**A FINANCIAL STATEMENT INCLUDING BALANCE SHEET AND INCOME STATEMENT, MUST BE ATTACHED.** If not yet operating, a proforma statement is required. Additional financial information may be requested by the agency to further describe operations.

- A corporation application must be signed by a corporate officer or an authorized signatory.
- A government application must be signed by an authorized signatory (include authorization).
- A limited liability company application must be signed by the manager or an authorized member.
- A partnership application must be signed by a general partner.
- A sole proprietor and spouse must both sign the application.

The signature(s) must be notarized, including stamp and/or seal.

**BONDS:**

A Supplier must file a bond [Cash, Certificate of Deposit (CD), or Surety] with the Arizona Department of Transportation to obtain this license. A surety bond must be on an approved department bond form with a surety company authorized by the ACC to do business in Arizona. If submitting a bond in the form of a CD, it must be payable only to the Arizona State Treasurer, referencing the applicant as depositor. The CD may not contain "and" or "or" designations, and must be drawn on an Arizona bank. A Letter of Credit is not an acceptable form of bond. A \$10.00 fee is required and must be attached for CD processing.

The bond amount required is determined by first estimating your average monthly motor fuel (gasoline and diesel) activity in gallons. Determine the estimated tax liability for this activity by multiplying the estimated motor fuel gallonage by \$0.18 and multiply the estimated use fuel gallonage by \$0.26. Multiply the sum of these two amounts by 2.0. This is your gross computed bond amount.

Round the computed bond amount to the next higher \$1,000.00. The minimum bond is \$5,000.00. The Supplier license is subject to cancellation because of bond insufficiency.

No bond shall be required greater than \$1,000,000.00.

The department may annually re-calculate your bond requirements; however, the responsibility of having the correct bond amount belongs with the supplier. The supplier must re-calculate their bond monthly based on the average of the prior twelve months actual activity and report any increase to the Department.

**BOND WORKSHEET:**

Prior 12 months average:

Gallons of motor vehicle fuel \_\_\_\_\_ times 18¢ = \$ \_\_\_\_\_

Gallons of use fuel \_\_\_\_\_ times 26¢ = \$ \_\_\_\_\_

Total \$ \_\_\_\_\_ Times 2.0 = \$ \_\_\_\_\_  
**ROUND TO THE NEXT HIGHEST \$1,000.00**

The Bond amount equals the lesser of \$1,000,000.00 or the calculated bond amount as shown above. However, the bond amount cannot be less than \$5,000.00.

Enter Bond Amount: \$ \_\_\_\_\_

The bond must be issued in the EXACT name as it appears on the application. The bond must be signed by an authorized signatory for a corporation or a government entity. All partners must sign a submitted bond. The owner AND spouse (if applicable) must sign the bond for a sole proprietorship.